

B. ROYALTY VALUATION REPORT (SCHEDULE A1) INSTRUCTIONS:

1. Reporting Instructions

Overview of the Royalty Valuation Report Scheme:

Each lessee must file the Royalty Valuation Report (Schedule A1) monthly for each active Accounting Unit in which a lessee owns leases. Use this schedule to file Current-Production-Month detail royalty, quantity, starting value, adjustments to starting value, royalty value, field costs, wellhead value and amounts due by Product/Disposition/Lease Type/Selling Arrangement combination(s) breakouts, i.e. Product/Disposition/Lease Type combination grouped by valuation method (Selling Arrangement Code). Also, use this schedule to file revisions to prior production month Royalty Valuation Reports. When a prior month is revised, a revision number is assigned in sequential number order that corresponds to the chronological order of the revision beginning with a '00' for the original report. Please refer to Part B 3. of this section for a blank copy of the Royalty Valuation Report (Schedule A1), which includes item cross-referencing used in the following explanation.

The purpose of the Royalty Valuation Report is to provide detail information of the valuation of the State's royalty share of production from an Accounting Unit. A separate Royalty Valuation Report must be filed for each Report Type for each Accounting Unit in which a lessee owns leases. Within each Accounting Unit, a lessee must file separate Royalty Valuation Reports for 'Oil' products and 'Gas' products.

The report is organized into Header Data and Report Data. The Header Data provides specific non-repetitive information about the reporter, the type of report ('Oil Report' or 'Gas Report'), and the production location and period. The Report Data provides repetitive information in lines and columns. Each line is one record; each column represents a specific data element. The Description Elements are used to describe the Information Elements.

Numeric or alpha codes are used in the Description Elements to describe the variety of Products, Dispositions, and Allocations used. Code lists can be found in Section V Appendix A of these instructions. Additional codes may be assigned as needed to report newly automated information. Lessees should contact the DO&G if a code is needed and not found in Section V Appendix A.

2. Data Presentation, Formats, And Element Descriptions

Data Presentation:

Refer to Part B 4. of this section for a generic example of a completed Royalty Valuation Report.

Product Groups: A separate Royalty Valuation Report must be filed monthly for all production from each Accounting Unit. The Oil and NGL Product Groups must be filed on the same Oil Royalty Valuation Report. NGLs are reported in the same report because they are typically handled through the oil facilities, even though they are considered gas products. All other gas products must be filed as a separate 'Gas' Royalty Valuation Report. When applicable Associated Substances are also filed on a separate Royalty Valuation Report. Royalty production data should be reported in the following order within each Product Group:

1. Oil Group
 - Oil
 - Condensate

2. NGLs Group
 - Regular NGLs
 - Exchange NGLs
3. Gas Group
 - Dry Gas
 - Wet Gas
 - Vapors
 - Liquefied Petroleum Gas (LPG)
4. Associated Substances Group
 - By Product, i.e. sulfur, etc.

Data Elements:

Header Descriptive Elements: All Description Elements must be filled in for the report to be complete.

1. Lessee Name
2. (Lessee mailing) Address
3. Preparer
4. Preparer Phone Number
5. Preparer Fax Number
6. Authorized Signature (Electronic)
7. Authorized Signature (person's) Name
8. Authorizers Phone Number
9. Authorizers Fax Number
10. Authorization Date
11. Control Number
12. Customer Id Number:
13. Production Month
14. Report Type
15. Report Code
16. Accounting Unit (Name)
17. Accounting Unit Code
18. Revision Number
19. Report Month

Report Description Elements: All Descriptive Elements, which describe an Information Element, must be filled out for the report to be complete.

1. Line Number
2. Product Code
3. Disposition Code
4. Lease Type
5. Allocation Code

Report Information Elements: Report each Information Element on a separate line under the appropriate column heading.

1. Quantity – BLS/MCF
2. Value – per BLS/MCF
3. Amount
4. Selling Arrangement
5. Quality Measurement

Data Formats:

Report Quantities, Values, and Amounts must be reported as follows:

1. Round all 'Oil' (BLS), 'Gas' (MCF), or other quantities on the Royalty Valuation Report to the second decimal place (round 2nd decimal up one if the 3rd decimal is five or higher) or per valid applicable agreement with the State.
2. Report all values to the fifth decimal place (round fifth decimal up one if the sixth decimal is five or higher) or according to other valid applicable contractual agreements. For example, tax reimbursements may require up to eight or nine decimal places to report the fractional value per unit of quantity.
3. All negative numbers must be preceded by a minus (-) sign.
4. Report all amounts to the nearest U.S. cent.

Report dates in exactly one of the following formats depending on the format required.

1. Report Month-Day-Year formats as 'mmddyyyy'.
2. Report Month-Year formats as 'mmyyyy'.

NOTE: Flaring Product-Dispositions need only be reported on the Royalty Valuation Report if it is determined that some or all of the quantity flared is waste and thus is 'Royalty Bearing.'

Header Data:

All data elements in the header must be filled out completely. The Customer ID, Accounting Unit, and Control Number are critical to accurately identifying your report and payment information. Inaccurate use of Customer IDs, Accounting Unit codes, or Control Numbers could result in the misfiling or misidentification of your reports. Incomplete or missing reports will be subject to administrative fee charges.

Report Data:

The Royalty Valuation Report information includes the following breakdowns depending on the type of Products/Dispositions produced and/or delivered from the Accounting Unit. The Product/Disposition combinations presented here start with the most general breakdowns as allocated to the lessee by the operator and proceed to more detailed valuation breakdowns. Report some or all of the following items depending on whether you are filing an 'Oil' or 'Gas' Royalty Valuation Report for an Accounting Unit. Refer to Section II B-4 for a generic example of reported items described below. All data elements pertinent to the Accounting Units in which a lessee owns leases must be filled out completely. Incomplete or missing reports will be subject to administrative fee charges.

Current-Production-Month: Schedule A1:

Repeat the following items for each unique combination of Product/Disposition allocations the operator allocated to your company. Within each Product/Disposition, separate and report each unique Lease Type/Selling Arrangement combination that is used to determine the final royalty amounts due. Each item listed below is a separate line or record of information. Items described below which are unique to oil or gas are identified as such.

1. Royalty-In-Value (RIV) Valuation. Report the following items when the State's royalty share of

production is valued and paid as Royalty-In-Value (RIV). Items 'a.' through 's.' should have the same Selling Arrangement (SA) number that identifies the valuation method that the Quantity, Values and Amounts are associated with.

- a. Report the portion of the total Working Interest Owner (WIO) Quantity for the first unique valuation group of Product/Disposition/Lease Type/Selling Arrangement.
- b. Report the Outside Substance (OS) volume portion of the Quantity in item 'a' above whenever oil, NGL, or other substances were brought into the Accounting Unit from another Accounting Unit and injected to improve production. If no Outside Substance was important and/or injected, then do not report this item.
- c. Report the Unitized Substance (US) volume portion of the Quantity in item 'a' above whenever oil, NGL, or other substances were brought into the Accounting Unit from another Accounting Unit and injected to improve production. If no Outside Substance was important and/or injected, then do not report this item.
- d. Report the Royalty Volume (ROY) portion of the Quantity in item 'a.' above.
- e. Report the Royalty Outside Substance (ROS) volume portion of the Royalty Volume (ROY) Quantity in item 'd' above whenever oil, NGL, or other substances were brought into the Accounting Unit from another Accounting Unit and injected to improve production. If no Outside Substance was important and/or injected, then do not report this item.
- f. Report the Royalty-In-Value (RIV) volume portion of the Royalty Volume (ROY) Quantity in item 'd.' above.
- g. Report the Royalty-In-Kind (RIK) volume portion of the Royalty Volume (ROY) Quantity in item 'd.' above.

NOTE: Items 'b' and 'c' should sum to item 'a'. Items e., f., and g. should sum to item d.

- h. Report the Starting Value (SV) that adjustments are applied to for arriving at the net Royalty Value used to derive the Royalty Amount Due.
- i. Report the Quality Adjustment (QA) Value(s) or BTU Adjustment Value(s), as applicable, applied to the Starting Value (SV) to derive the Royalty Value (RV). If there are multiple adjustments, list each quality adjustment as a separate line/record.
- j. Report specific tariff [TAPS Tariff (TT), Endicott Tariff (ET), Milne Tariff (MT), etc.] adjustment Value(s) applied to the Starting Value (SV) to derive the net Royalty Value (RV). In the case of gas, report the Transportation Adjustment (TADJ). If there are multiple tariffs or transportation adjustments, list each tariff or transportation adjustment as a separate line/record.
- k. Report Marine Cost (MC) adjustment Value(s) applied to the Starting Value (SV) to derive the net Royalty Value (RV). If there are multiple Marine Cost (MC) adjustments, list each Marine Cost (MC) adjustment as a separate line/record.

- l. Report any other Value adjustments applied to the Starting Value (SV) to arrive at the net Royalty Value (RV). If there are multiple adjustments, list each adjustment as a separate line/record.
 - m. Report Tax Reimbursement (TRB) or Conservation Tax (CT) Values that are applied to the Starting Value (SV) to arrive at the net Royalty Value. If there are multiple Tax Reimbursement (TRB) or Conservation Tax (CT) adjustments, list each adjustment as a separate line/record.
 - n. Report the net Royalty Value (RV) derived after all the above adjustments have been applied to the Starting Value (SV).
 - o. Report the Field Cost (FC) Value associated with the Product/Disposition/Lease Type/Selling Arrangement combination being reported. If the Field Cost (FC) reduces the Royalty Value (RV), report it as a negative number.
 - p. Report the Well Head (WH) Value derived after applying the appropriate Field Cost (FC) Value adjustment to the Royalty Value (RV).
 - q. Report the Royalty-In-Value Obligation (RIVO) Amount derived by applying the Well Head (WH) Value to the Royalty-In-Value (RIV) Quantity in item 'c' above.
 - r. Report the Royalty-In-Kind Field Cost (RIKFC) amount derived by applying the Field Cost (FC) Value to the Royalty-In-Kind (RIK) Quantity in item 'd' above. If the Field Cost (FC) reduces the Royalty Value (RV), report it as a negative number.
 - s. Report the Total Amount Due (TAD), items 'n' minus 'o' for this valuation combination, i.e. this unique Product/Disposition/Lease Type/Selling Arrangement combination.
2. Quality Measurement. Record the number in the Quality Measurement data element for the Quantity, Value or Amount when a valuation method requires that the quality of the Product/Disposition be recorded as an adjustment on the values or the method used to determine royalties due. Record a number only when the specific Selling Arrangement requires quantification of the product's quality, otherwise leave it blank. In the case of 'Oil Rim' reports, this may be in the form of a specific gravity number. In the case of 'Gas Cap' reports, this may be a British Thermal Unit (BTU) number. Percentage adjustments can also be reported in the Quality Measurement data element.

Prior Production Month Revisions: Schedule A1: Complete a revised report for each prior Production Month you revise. File the entire report for a revised month. In addition, report the principal, interest, and total revision difference amounts for each Product/Disposition/Lease Type for all active Selling Arrangements, including Selling Arrangements that received no quantity for the month being reported. If zero volume is reported for a Product/Disposition/Lease Type/Selling Arrangement group, then the VALUES MUST also be reported as zero.

Interest Calculations On Revision Amounts:

Interest will be assessed and reported on all royalties paid after the due date. The interest rate and method used on over/under payment amounts will be based on the applicable agreement or statute in effect for the leases covered by a specific payment in accordance with regulation 11AAC 04. The rate and method may vary among leases within an Accounting Unit.

If leases included within an Accounting Unit have a settlement agreement in place, then the rate specified in the settlement agreement applies. If there is no settlement agreement, or if the settlement agreement does not include all the leases within the applicable Accounting Unit, then the interest rate and methodology specified in the individual lease agreements apply to their respective leases.

If neither a settlement agreement nor a lease agreement specifies the interest rate, then the statutory (AS 38.05.135) rate in effect at the time the lease was issued usually applies.

If an Accounting Unit has leases with different applicable rates, use the rate specifically applicable to each lease. For example, if an Accounting Unit has NPSL leases not covered by a settlement agreement and leases covered by ANS settlement agreement, the portions of the payment attributable to each Lease Type must be calculated independently and the applicable rate and methodology applied.

Further, if a lessee is entitled, through some unique circumstance or agreement, to different rates and methods that are depending on the lessee's unique ownership of a lease, then each method and rate applicable to the lessee's respective portions of the lease will apply.

See Part B 5 Reporting Examples of this Section for examples of revision reports.

Data Element Descriptions:

The following section describes the manner in which data is reported in each of the data elements.

Header Data Elements:

<u>Lessee Name (a)</u>	List the name of the individual, partnership, firm or corporation having lease ownership in the Accounting Unit.
<u>Address (b)</u>	List the lessee's mailing address.
<u>Prepared by (c)</u>	List the name of the person who is preparing the Royalty Valuation Report.
<u>Phone Number (d)</u>	List the phone number of the person who is preparing the Royalty Valuation Report.
<u>FAX Number (e)</u>	List the FAX number of the person who is preparing the Royalty Valuation Report.
<u>Authorized Signature (f)</u>	Signature of the person who is authorizing the Royalty Valuation Report. This must be an approved electronic signature when filing electronically. Refer to "SECTION III. ELECTRONIC REPORTING INSTRUCTIONS" of these instructions.
<u>Authorized Signature (Printed) (g)</u>	List the name of the authorizing signatory of the Royalty Valuation Report.
<u>Phone Number (h)</u>	List the phone number of the person who is authorizing the Royalty Valuation Report.
<u>FAX Number (i)</u>	List the FAX number of the person who is authorizing the Royalty Valuation Report.
<u>Authorized Date (j)</u>	List the date the Royalty Valuation Report is being certified as correct. Use the exact month-day-year numeric format, 'mmddyyyy'.
<u>Control Number (k)</u>	List the Control Number for the Business Month the report is included. The Control Number is used to reference all reports (Royalty Valuation Report(s) and Royalty And NPSL Payment Summary Report) with the actual payment that covers the amounts due. See "Section V A-12 Control Number" for an explanation on how to assign a Control Number.
<u>Customer ID (l)</u>	List the Customer ID code that has been assigned to you as a lessee by the State of Alaska. A list of Customer ID Codes can be found in Section V A-2 of these instructions. If your code is not listed contact the Division of Oil and Gas, Royalty Accounting Unit for assistance.
<u>Production Month (m)</u>	List the production month and year for the royalties being

reported. Use the exact month-year numeric format, 'mmyyyy'.

<u>Report Type (n)</u>	List the type of report you are filing, in this case a Royalty Valuation Report Report Type 'A1'. A list of Report Type Codes can be found in Section V B-3 of these instructions.
<u>Report Code (o)</u>	List the report code for filing either an 'Oil' (OR) or 'Gas' (GC) report. A list of Report Codes can be found in Section V A-4 of these instructions.
<u>Accounting Unit (p)</u>	List the Accounting Unit name that has been assigned to the operation, lease, or unit by the State of Alaska. A list of Accounting Unit names and codes can be found in Section V A-1 of these instructions.
<u>Accounting Unit Code (q)</u>	List the Accounting Unit code that has been assigned to the operation, lease, or unit by the State of Alaska. A list of the Accounting Unit codes can be found in Section V A-1 of these instructions.
<u>Revision Number (r)</u>	List the revision number. Original reports must be identified with a Revision Number of '00'. Each subsequent revision increases the Revision Number by 1.
<u>Report Month (s)</u>	List the calendar month in which the Royalty Valuation Report is being filed. Normally, the Report Month is immediately after the Current-Production-Month, i.e. a January 1997 Production Month has a February 1997 Report Month. When filing a revised Royalty Valuation Report, the Report Month should correspond with the same Report Month used for the Current-Production-Month under which the revised Royalty Valuation Report is filed. For example, if a revised Royalty Valuation Report for Production Month January 1997 is being submitted with the Current-Production-Month April 1997, which would normally have a Report Month of May 1997, the Report Month for the revision would be May 1997 because that is the month in which the revision is being submitted and paid. Use the exact month-year numeric format, 'mmyyyy', i.e. '051997' in the above example.

Report Data Elements:

<u>Line Number (t)</u>	List the line number of each individual line of data filed in the Royalty Valuation Report.
<u>Product Code (u)</u>	List the code used to identify product(s) being reported. A list of the Product Codes can be found in Section V A-5 of these instructions.
<u>Disposition Code (v)</u>	List the Disposition Code that indicates how the Product is being disposed of, either through use on or transport from the Accounting Unit. Examples of Disposition Codes for the Gas Group are: Lease Fuel, Transmission Line, Vented, Gas Lift, etc. The Disposition code also applies to the monthly production

quantity from the Accounting Unit of oil, gas or condensate that maybe disposed of as Lost, Injected, Flared, Used On Lease, etc. A list of Disposition Codes can be found in Section V A-7 of these instructions.

Lease Type (w)

List the Lease Type code that identifies the type of original State of Alaska, Division of Oil and Gas lease agreement that applies to the reported volume. A list of lease codes can be found in Section V A-6 of these instructions.

Allocation Code (x)

List the Quantity, Value or Amount Allocation Code that describes the corresponding Quantity, Value or Amount data element being reported.

For Quantities, report the Quantity Allocation that describes the quantity allocation for the Product-Disposition of a participating lessee on each line of the report as applicable. A list of Quantity Allocation codes can be found in Section V A-8 of these instructions.

For Values, report the Value Allocation that describes the value allocation for the Product-Disposition of a participating lessee on each line of the report as applicable. A list of Value Allocation codes can be found in Section V A-9 of these instructions.

For Amounts, report the Amount Allocation that describes the amount allocation for the Product-Disposition of a participating lessee on each line of the report as applicable. A list of Amount Allocation codes can be found in Section V A-10 of these instructions

Quantity (y)

List the volume of the Product-Disposition being reported.

Value(z)

List the per unit (BLS, MCF, GAL, MMBTU, etc.) value assigned to the Allocations for which you need to report values unique to your company.

Amount (aa)

List the amount due and to be paid for the Product-Disposition being reported.

Selling Arrangement Code (ab)

A unique code is assigned by the State to identify the different valuation methods (Selling Arrangements) under which a Product/Disposition/Lease Type Quantity is valued for a participating lessee. Examples would be: an ANS Settlement Agreement, a sale of gas in Cook Inlet or the North Slope (i.e. Contract Sale), the Exchange of production between Accounting Units, etc.

The DO&G assigns selling Arrangement Codes on a case-by-case basis. Codes are assigned by the State after discussion with the appropriate lessee. Contact the DO&G to obtain your specific Selling Arrangement (SA) code.

Quality Measurement (ac)

List the figure that describes the quality or quality conversion of the product being reported. This may be required if a change in the quality for the Current-Production-Month is not standard for the Accounting Unit, or when required to value specific Product/Disposition/Lease Type/Selling Arrangement combination. For example: the British Thermal Unit (BTU) rating may be assigned to indicate the quality of the gas being reported. In the case of specific contract sales this is a requirement in order to properly value the gas under the terms of the contract. For oil this may require the reporting of the specific gravity of the line item being reported.

3. Blank Schedule A1 Report Form

Alaska Royalty Valuation Report

(a) Lessee name: State of Alaska (f) Authorized Signature:
 (b) Address: Department of Natural Resources (g) Authorized Signature (Printed):
 Division of Oil and Gas (h) Phone Number:
 City, State, Zip: (i) Fax Number:
 (c) Prepared By: (j) Authorized Date:
 (d) Phone Number: (k) Control Number:
 (e) Fax Number:

State of Alaska Royalty Report (A1)

(l) Customer ID Number: (p) Accounting Unit:
 (m) Production Month: (q) Accounting Unit Code:
 (n) Report Type: A1 (r) Revision No.
 (o) Report Code: (s) Report Month:

(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)
Line No.	Product Code	Disposition Code	Lease Type	Allocation Code	Quantity	Value Bbl/Mcf	Amount	Selling Arrangement Code	Quality Measurement
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									

4. Alaska Royalty Valuation Report Completed Example

Alaska Royalty Valuation Report (Completed Example)
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(a) Lessee name: Any Company, Inc. (b) Address: P.O. Box 100360 City, State, Zip: Anchorage, AK 99510 (c) Prepared By: Jane Doe (d) Phone Number: (907) 263-4883 (e) Fax Number: (907) 265-1566	State of Alaska Department of Natural Resources Division of Oil and Gas	(f) Authorized Signature: 1234567890 (g) Authorized Signature (Printed): Jane Doe (h) Phone Number: (907) 263-4883 (i) Fax Number: (907) 265-1566 (j) Authorized Date: 12181997 (k) Control Number: 000106346P12199700
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State of Alaska Royalty Report (A1)

(l) Customer ID Number: 000106346 (m) Production Month: 111997 (n) Report Type: A1 (o) Report Code: OR	(p) Accounting Unit: Lisburne (q) Accounting Unit Code: LISB (r) Revision No. 00 (s) Report Month: 121997
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(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)
Line No.	Product Code	Disposition Code	Lease Type	Allocation Code	Quantity	Value Bbl/Mcf	Amount	Selling Arrangement Code	Quality Measurement
1	O	0010	STAN	WIO	89,862.80			212001A050	
2	O	2010	STAN	ROY	11,232.85			212001A050	
3	O	2010	STAN	RIV	4,251.67			212001A050	
4	O	2010	STAN	RIK	6,981.18			212001A050	
5	O	2010	STAN	AANS		\$18.32000		212001A050	
6	O	2010	STAN	QA		(\$0.03000)		212001A050	
7	O	2010	STAN	TT		(\$2.70000)		212001A050	
8	O	2010	STAN	MC		(\$0.95000)		212001A050	
9	O	2010	STAN	RV		\$14.64000		212001A050	
10	O	2010	STAN	FC		(\$0.87000)		212001A050	
11	O	2010	STAN	WH		\$13.77000		212001A050	
12	O	2010	STAN	RIVO			\$58,545.50	212001A050	
13	O	2010	STAN	RIKFC			(\$6,073.63)	212001A050	
14	O	2010	STAN	TAD			\$52,471.87	212001A050	

Alaska Royalty Valuation Report (Completed Example)									
Line No.	Product Code	Disposition Code	Lease Type	Allocation Code	Quantity	Value Bbl/Mcf	Amount	Selling Arrangement Code	Quality Measurement
15	O	0032	STAN	WIO	0.00			217010A000	
16	O	2032	STAN	ROY	0.00			217010A000	
17	O	2032	STAN	RIV	0.00			217010A000	
18	O	2032	STAN	RIK	0.00			217010A000	
19	O	2032	STAN	AANS		\$0.00000		217010A000	
20	O	2032	STAN	QA		\$0.00000		217010A000	
21	O	2032	STAN	TT		\$0.00000		217010A000	
22	O	2032	STAN	MC		\$0.00000		217010A000	
23	O	2032	STAN	RV		\$0.00000		217010A000	
24	O	2032	STAN	FC		\$0.00000		217010A000	
25	O	2032	STAN	WH		\$0.00000		217010A000	
26	O	2032	STAN	RIVO			\$0.00	217010A000	
27	O	2032	STAN	RIKFC			\$0.00	217010A000	
28	O	2032	STAN	TAD			\$0.00	217010A000	
29	N	0010	STAN	WIO	11,979.60			212001A050	
30	N	2010	STAN	ROY	1,497.45			212001A050	
31	N	2010	STAN	RIV	566.79			212001A050	
32	N	2010	STAN	RIK	930.66			212001A050	
33	N	2010	STAN	AANS		\$18.32000		212001A050	
34	N	2010	STAN	QA		(\$0.03000)		212001A050	
35	N	2010	STAN	TT		(\$2.70000)		212001A050	
36	N	2010	STAN	MC		(\$0.95000)		212001A050	
37	N	2010	STAN	RV		\$14.64000		212001A050	
38	N	2010	STAN	FC		(\$1.00000)		212001A050	
39	N	2010	STAN	WH		\$13.64000		212001A050	
40	N	2010	STAN	RIVO			\$7,731.02	212001A050	
41	N	2010	STAN	RIKFC			(\$930.66)	212001A050	
42	N	2010	STAN	TAD			\$6,800.36	212001A050	

5. Reporting Examples For the Schedule A1

- a. Accounting Unit Valuation. Sometimes adjustments to royalties due from an Accounting Unit can only be valued at the Accounting Unit level. Report these items at the end of the Royalty Valuation Report. An example of such an Amount is 'Gravity Differential' (GD). The Gravity Differential (GD) payment is made to compensate for quality effects of Topping Plant deliveries made to the pipeline. Report the Gravity Differential (GD) Amount as a separate single line/record item. The example shown below illustrates the data to be reported at the end of the Accounting Unit Report in which a Gravity Differential Amount is to be reported. The line number is not significant or relevant in this example.

Alaska Royalty Valuation Report (Exception) Example

(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)
Line No.	Product Code	Disposition Code	Lease Type	Allocation Code	Quantity	Value Bbl/Mcf	Amount	Selling Arrangement Code	Quality Measurement
	O	2030	ALLL	GD			\$1,523.00	212001A050	

- b. Report Month.

Report Month is the calendar month following the Current Production Month, when referring to a current report filing and both the reports and the payment are received by their normal due date.

When reports and their corresponding payment are not received together on their corresponding normal due date, then Report Month must be thought of independently for the reports versus the payment.

If you receive Royalty Valuation Reports and no Payment, the Report Month for the Royalty Valuation Reports is the calendar month the Valuation Reports are received. The Payment Summary Report that must also accompany the Valuation Reports must reflect the Report Month that corresponds to the calendar month in which the Valuation Reports were received. The Payment Summary Report would report the individual amounts reported on the Valuation Reports, but reflect that no payment (zero dollars) was received.

If you receive the Payment and no Valuation Reports associated with the Payment by the due date of the Report Month in which the Payment is received, the Report Month for the Payment is the calendar month you receive the Payment. A Payment Summary must accompany the Payment with a Report Month and Control Number that corresponds or matches each other and the Payment Summary should have a Report Month that reflects the calendar month in which the payment is received.

See Royalty Payment Summary instructions Section II C for further discussion on Report Month and the exceptions to the above description that apply strictly to the Royalty Payment Summary Report.

- c. Late Reporting.

When a lessee files the original Royalty Valuation Report for an Accounting Unit 'late', 'Late' means the original Royalty Valuation Report is filed more than one month after the Production Month the report covers. When filing late, the Royalty Valuation Report should show the Revision number of '00' to indicate that it is the original (first filing) for that production month. The Report Month should be the Report Month in which the late filing is actually being filed.

The Royalty Valuation Report should not show any interest for the amounts due on the original filed report. Late Payment Interest (LPMI) is the Allocation Amount Code to be used to report the LPMI on the Royalty And NPSL Payment Summary Report.

Refer to the Royalty And NPSL Payment Summary Report instructions, Part 5 Reporting Examples for a discussion on the reporting of Late Payment Interest on the Payment Summary Report.

- d. Standard Revision. A standard revision is when a previously filed report is being revised because of either a change in Quantity allocation or Value. Such revisions are reported using the standard three revision codes. The example below is a standard revision with a Quantity revision. The example shows typical Allocation Codes and the Quantity, Value and Amount data compared between an original (00) filing and a revision (01) filing.

GAS REPORT	Revision 00	Revision 00	Revision 00		Revision 01	Revision 01	Revision 01
Allocation Code	Quantity	Value	Amount	Allocation Code	Quantity	Value	Amount
WIO	3,458,230			WIO	3,469,088		
ROY	432,279			ROY	433,636		
RIV	432,279			RIV	433,636		
RIK	0			RIK	0		
SV		\$2.69600		SV		\$2.69600	
BTU		\$1.00100		BTU		\$1.00100	
TADJ		\$0.10000		TADJ		\$0.10000	
TRB		\$0.00000		TRB		\$0.00000	
CT		\$0.00000		CT		\$0.00000	
RV		\$1.24925		RV		\$1.24925	
FC		\$0.00000		FC		\$0.00000	
WH		\$1.24925		WH		\$1.24925	
RIVO			\$540,023.68	RIVO			\$541,718.91
RIKFC			\$0.00	RIKFC			\$0.00
TAD			\$540,023.68	TAD			\$541,718.91
				REVPD			\$1,695.00
				REVID			\$281.44
				REVTD			\$1,976.44

- e. Data Correction Revision. In a data correction revision the lessee reports all of the data correctly in the original filing except the lessee reports a positive Field Cost Amount instead of a negative Field Cost Amount. The lessee also actually reports the correct Total Amount Due and pays the correct Total Amount Due. Because the lessee is correcting his report error after the due date a Revision '01' is filed to correct the data.

Note that the REV group contains all zeros. These lines are reported because this is a legitimate revision, but there are no differences to be reported, thus all lines contain zeros. You will also note however, that the RIKFC volume group line now contains a negative field cost amount rather than the position amount reported in the original or '00' filing.

OIL REPORT	Revision 00	Revision 00	Revision 00		Revision 01	Revision 01	Revision 01
Allocation Code	Quantity	Value	Amount	Allocation Code	Quantity	Value	Amount
WIO	12,455			WIO	3,469,088		
ROY	1,556			ROY	433,636		
RIV	852			RIV	433,636		
RIK	704			RIK	0		
SV		21.54000		SV		21.54000	
QA		\$0.00000		QA		\$0.00000	
TT		\$0.00000		TT		\$0.00000	
KT		\$0.00000		KT		\$0.00000	
MC		\$0.00000		MC		\$0.00000	
RV		\$21.5400 0		RV		\$21.54000	
FC		\$-0.87000		FC		\$-0.87000	
WH		\$20.6700 0		WH		\$20.67000	
RIVO			\$17,618.90	RIVO			\$17,618.90
RIKFC			\$612.91	RIKFC			-\$612.91
TAD			\$17,006.00	TAD			\$17,006.00
				REVPD			\$0.00
				REVID			\$0.00
				REVTD			\$0.00

- f. Interest Correction. In this example the lessee makes volume revision and then a correction to an interest calculation.

In Revision '01' of this example the lessee reports a change in volume that results in an additional amount due. In the process of calculating interest an error is made and the lessee pays too much interest.

In Revision '02' the lessee corrects the error in interest calculation made in Revision '01'. The corrected interest principle difference (\$263.57) is the result of taking the correct interest amount that should have been due for Revision '01' (\$17.81) and subtracting the 'REVID' amount of interest calculated, reported and actually paid (\$281.44) in Revision '01'. The interest on the corrected interest (\$4.77) is calculated from the corrected interest amount (\$263.57) and reported in Revision '02' as REVID. Lastly, the Revision Total (\$268.34) amount is reported for Revision '02'.

Correct interest that should have been calculated	\$17.81
Interest incorrectly calculated, reported, and paid in revision 01	\$281.44
Overpaid interest calculated in revision (01)	\$263.57
Overpaid Interest due to incorrect interest calculation	\$263.57
Interest rate for 30 days	0.009041
Interest for 30 days on overpaid interest	\$4.77
Interest credit from previous revision (01)	\$263.57
Interest on interest for 30 days of overpayment	\$4.77
Total Interest for Revision (02)	\$268.34

GAS REPORT	Revision 00	Revision 00	Revision 00		Revision 01	Revision 01	Revision 01
Allocation Code	Quantity	Value	Amount	Allocation Code	Quantity	Value	Amount
WIO	3,458,230			WIO	3,469,088		
ROY	432,279			ROY	433,636		
RIV	432,279			RIV	433,636		
RIK	0			RIK	0		
SV		\$2.69600		SV		\$2.69600	
BTU		\$1.00100		BTU		\$1.00100	
TADJ		\$0.10000		TADJ		\$0.10000	
TRB		\$0.00000		TRB		\$0.00000	
CT		\$0.00000		CT		\$0.00000	
RV		\$1.24925		RV		\$1.24925	
FC		\$0.00000		FC		\$0.00000	
WH		\$1.24925		WH		\$1.24925	
RIVO			\$540,023.68	RIVO			\$541,718.91
RIKFC			\$0.00	RIKFC			\$0.00
TAD			\$540,023.68	TAD			\$541,718.91
				REVPD			\$1,695.00
				REVID			\$281.44
				REVTD			\$1,976.44

	Revision 01	Revision 01	Revision 01		Revision 02	Revision 02	Revision 02
Allocation Code	Quantity	Value	Amount	Allocation Code	Quantity	Value	Amount
WIO	3,469,088			WIO	3,469,088		
ROY	433,636			ROY	433,636		
RIV	433,636			RIV	433,636		
RIK	0			RIK	0		
SV		\$2.69600		SV		\$2.69600	
BTU		\$1.00100		BTU		\$1.00100	
TADJ		\$0.10000		TADJ		\$0.10000	
TRB		\$0.00000		TRB		\$0.00000	
CT		\$0.00000		CT		\$0.00000	
RV		\$1.24925		RV		\$1.24925	
FC		\$0.00000		FC		\$0.00000	
WH		\$1.24925		WH		\$1.24925	
RIVO			\$541,718.91	RIVO			\$541,718.91
RIKFC			\$0.00	RIKFC			\$0.00
TAD			\$541,718.91	TAD			\$541,718.91
REVPD			\$1,695.00	REVPD			\$0.00
REVID			\$281.44	REVID			(\$268.34)
REVTD			\$1,976.44	REVTD			(\$268.34)

- g. Principle Correction: In this example a lessee uses the wrong Total Amount Due (TAD) to determine the Revision Principle Due (REVPD) on a revision. All the volumes, values and amounts reported in Revision '01' are correct. This can happen when the process of calculating interest is a separate process from the valuation of a group of volume. The separate process inadvertently used the wrong TAD amounts to calculate the REVPD upon which interest is calculated.

This means that the amount of principal reported and paid ends up being incorrect. In addition, the amount of interest would also be calculated incorrectly when based on the wrong principal difference amount.

The reported REVPD = \$18,806.00 in Revision '01' should have been \$1,695.00 but wasn't because of the miscalculation on the part of the lessee.

The REVPD in 'Revision 02' includes the following:

The difference between the 'TAD' in 'Revision 00	\$541,718.91
And the 'TAD' in 'Revision 00'	\$540,023.68
Correct Revision Principle Difference 'REVPD' for Revision 01	\$ 1,695.00
Minus the Reported 'REVPD' from 'Revision 01	-\$ 18,806.13
Corrected Revision Principle Difference (REVPD) Revision 02	-\$ 17,111.13

Next the interest is determined by summing two interest calculations, the interest on the overpaid principal and interest on the overpaid Interest.

The REVID in 'Revision 02' includes the following:

The Overpaid Principal in 'Revision 01'	-\$17,111.13
Interest rate calculated for 30 days.	0.0090411
Because the Principal was only overpaid 30 days	
Interest on the overpaid Principal	-\$154.70
Interest rate on Interest for 30 days	0.0090411
Interest on Interest	-\$ 1.40
Sum Interest For 'Revision 02'	-\$156.10

The 'Total Amount Due' for Revision '02' reported on the Payment Summary Report is the sum of:

Revision Principal Difference 'REVPD'	-\$17,111.10
Revision Interest Difference 'REVID'	-\$156.10
Revision Total Due 'REVTD'	-\$17,267.23

GAS REPORT	Revision 00	Revision 00	Revision 00		Revision 01	Revision 01	Revision 01
Allocation Code	Quantity	Value	Amount	Allocation Code	Quantity	Value	Amount
WIO	3,458,230			WIO	3,469,088		
ROY	432,279			ROY	433,636		
RIV	432,279			RIV	433,636		
RIK	0			RIK	0		
SV		\$2.69600		SV		\$2.69600	
BTU		\$1.00100		BTU		\$1.00100	
TADJ		\$0.10000		TADJ		\$0.10000	
TRB		\$0.00000		TRB		\$0.00000	
CT		\$0.00000		CT		\$0.00000	
RV		\$1.24925		RV		\$1.24925	
FC		\$0.00000		FC		\$0.00000	
WH		\$1.24925		WH		\$1.24925	
RIVO			\$540,023.68	RIVO			\$541,718.91
RIKFC			\$0.00	RIKFC			\$0.00
TAD			\$540,023.68	TAD			\$541,718.91
				REVPD			\$18,806.13
				REVID			\$181.44
				REVTD			\$18,987.57

	Revision 01	Revision 01	Revision 01		Revision 02	Revision 02	Revision 02
Allocation Code	Quantity	Value	Amount	Allocation Code	Quantity	Value	Amount
WIO	3,469,088			WIO	3,469,088		
ROY	433,636			ROY	433,636		
RIV	433,636			RIV	433,636		
RIK	0			RIK	0		
SV		\$2.69600		SV		\$2.69600	
BTU		\$1.00100		BTU		\$1.00100	
TADJ		\$0.10000		TADJ		\$0.10000	
TRB		\$0.00000		TRB		\$0.00000	
CT		\$0.00000		CT		\$0.00000	
RV		\$1.24925		RV		\$1.24925	
FC		\$0.00000		FC		\$0.00000	
WH		\$1.24925		WH		\$1.24925	
RIVO			\$541,718.91	RIVO			\$541,718.91
RIKFC			\$0.00	RIKFC			\$0.00
TAD			\$541,718.91	TAD			\$541,718.91
REVPD			\$18,806.13	REVPD			-\$17,111.13
REVID			\$181.44	REVID			-\$156.10
REVTD			\$18,987.57	REVTD			-17,267.23

h. Outside/Unitized Substance Reporting:

When an Accounting Unit uses injectants from sources outside the Accounting Unit, and the injectants have had royalties paid from the source Accounting Unit, and when those injectants involve the crediting of those volumes, a reporting process using outside and unitized substances will be used whenever possible.

Those cases where outside and unitized substances are involved should include regular reporting on the Operator Report of 'ROY', 'RIV', 'RIK' volumes based on the WIO volumes allocated to each lessee according to the lease agreements. See the Operator Example beginning on Page 17.

Based on the language of the State of Alaska lease agreement:

"ROYALTY ON PRODUCTION. Except for oil, gas, and associated substances used on the leased area for development and production or unavoidably lost, the lessee shall pay to the lessors as a royalty percent in amount or value of the, oil gas, and associated substances **saved, removed, or sold from the leased area** and of the gas from the leased area used on the leased area for extraction of natural gasoline or other products." (Bold emphasis added.)

The royalty rate for the lease is applied to the gross production from a lease with the exception of the volumes identified in the above paragraph. In the case of the leases where outside substances were injected to increase recovery of produced volumes, the same rule applies. Whatever volumes result from the gross production will have the lease agreement royalty rate initially applied by the operator. This is a standard applied to all accounting units producing in the state of Alaska. These volumes are to be reported on the Royalty Operator report as 'ROY' volumes in accordance to each lessee's assigned working interest ownership in a lease or leases included in an Accounting Unit. In the case where the State is taking its royalty share, the 'ROY' volumes are further broken down between 'RIV' (royalty-in-value) and 'RIK' (royalty-in-kind) volumes based again on the gross volumes.

Subsequent to identifying the gross royalty volumes upon which the State is entitled to take or be paid for, lessees may have agreement(s) to reduce the royalty due the State based on pre-paid royalties on injected substances. Such agreements are independent of the lease agreement and thusly those reductions will be reported on the Royalty Valuation Report. Each lessee is responsible for identifying the full disposition of its allocated royalty portion on the Royalty Valuation Report. Such reporting will include the following breakdowns and reconciliations between the Royalty Operator Report reported volumes and the valuation accounting on the Royalty Valuation Report.

'WIO' (Working Interest Owner) volumes identified on the Royalty Operator Report for a particular Product and Disposition should be equal to the sum of all breakdowns of the same Product and Disposition on the Royalty Valuation Report. The example of the allocation of 'WIO' and 'ROY' volumes to be reported on the Royalty Operator Report begins on Page 20. The 'OPER' line of data shown represents these volumes. Note that since no 'RIK' volumes are taken in this example, the 'RIK' volumes would be reported as zero on the Royalty Operator Report. From the operator's view and application of lease royalty rates, the 'RIV' will equal the 'ROY' volume allocated to each lessee because of zero volumes allocated to 'RIK', because the operator has no responsibility for subsequent agreements that may further reduce the 'RIV' volume.

'WIO' volumes to be reported on the Royalty Valuation Report are to be further broken down according to lease types, 'STAN', 'NFC', and 'NPSL' by (Selling) Arrangement code. The 'ROYR' lines of data shown represent these volumes. Again note that since no 'RIK' volumes are taken in this example, the 'RIK' volumes would be reported as zero on the Royalty Valuation Report. See page 7 for an example of the ARCO AK Royalty Valuation Report and page 10 for an example of the BPXA Royalty Valuation Report.

Note that the 'WIO' total reported on the Royalty Operator Report equals the sum of the 'WIO'-Lease Type (STAN, NFC, NPSL) volumes reported on the Royalty Valuation Report for the 'Oil' '0010' Disposition. Similarly, volumes for the 'Oil' '0050' Dispositions are shown in the table on page 3. Each of these Product Disposition combinations shows the claim for injected substances in the name of 'OS' (Outside Substances), which the lessee is claiming against the gross 'WIO' volume. Thus, each Lease Type breakdown of 'WIO' volume will be equal to the sum of its associated 'OS' and 'US' (Unitized Substances).

Further note, 'ROY' volumes are reported on the Royalty Valuation Report in breakdowns of 'ROS' (Royalty portion of Outside Substances), 'RIV' (royalty-in-value), and RIK (royalty-in-kind) volumes. The 'ROS' volumes represent the portion of the 'ROY' volume a lessee is claiming a credit for prepaid royalties on injected substances. Thus, the 'ROS' volume reduces the 'ROY' volume to the net 'RIV' volume on the Royalty Valuation Report. The 'RIV' volume reported on the Royalty Valuation Report represents the volume upon which the lessee actually pays dollar amounts for the Current Production Month. The sum of the 'RIV' and 'ROS' volumes on the Royalty Valuation Report will equal the 'RIV' volume reported on the Royalty Operator Report.

Reporting royalty volumes in this manner provides a complete audit trail of royalty volumes both from the operator and the lessee's standpoint and the ability to fully reconcile the totals for 'ROY', 'RIK', 'ROS', and 'RIV' between the two reports.

EXAMPLE OF OPERATOR AND LESSEE VOLUME ALLOCATIONS BY COMPANY & DISPOSITION

	Company A	OIL with 0010 Disposition						
		WIO	OS	US	ROY-RATE	OP-ROY	ROS	RIV
OPER	TOTAL	3,652,971.49			* .12501	456,657.67		
ROYR	STAN	3,613,413.46	361,341.35	3,252,072.11	0.125000000	451,676.38	45,167.67	406,509.01
ROYR	NFC	11,311.18	1,131.12	10,180.06	0.128230089	1450.43	145.04	1,305.39
ROYR	NPSL	28,246.85	2,824.68	25,422.17	0.125000000	3,530.86	353.09	3,177.77
CHECK	TOTAL	3,652,971.49	365,297.15	3,287,674.34		456,657.67	45,665.80	410,992.17
			3,652,971.49				456,657.97	
	Company B	OIL with 0010 Disposition						
		WIO	OS	US	ROY-RATE	OP-ROY	ROS	RIV
OPER	TOTAL	2,671,021.52			* .12500983	333,903.95		333,903.95
ROYR	STAN	2,642,097.94	264,209.79	2,377,888.15	0.125000000	330,262.24	33,026.22	297,236.02
ROYR	NFC	8,270.37	827.04	7,443.33	0.128174	1,060.05	106.01	954.04
ROYR	NPSL	20,653.21	2,065.32	18,587.89	0.125000000	2,581.65	258.17	2,323.49
CHECK	TOTAL	2,671,021.52	267,102.15	2,403,919.37		333,903.94	33,390.39	300,513.55
			2,671,021.52				333,903.94	
	Company A	0050 Disposition						
		WIO	OS	US	ROY-RATE	OP-ROY	ROS	RIV
OPER	TOTAL	1,361.64			* 0.12501001	170.22		170.22
ROYR	STAN	1,346.89	134.69	1,212.20	0.125000000	168.36	16.84	151.53
ROYR	NFC	4.22	0.42	3.80	0.128230089	0.54	0.05	0.49
ROYR	NPSL	10.53	1.05	9.48	0.125000000	1.32	0.13	1.19
CHECK	TOTAL	1,361.64	136.16	1,225.48		170.22	17.02	153.20
			1,361.64				170.22	
	Company B	0050 Disposition						
		WIO	OS	US	ROY-RATE	OP-ROY	ROS	RIV
OPER	TOTAL	1,675.40			* .12500983	209.44		
ROYR	STAN	1,657.26	165.73	1,491.53	0.1250000	207.16	20.72	186.44
ROYR	NFC	5.18	0.52	4.66	0.1281740	0.66	0.07	0.60
ROYR	NPSL	12.96	1.30	11.66	0.1250000	1.62	0.16	1.46
CHECK	TOTAL	1,675.40	167.55	1,507.85		209.44	20.95	188.50
			1,675.40				209.44	
					*Weighted Average Royalty Rate For This Example			

EXAMPLE OF COMPANY A ROYALTY VALUATION REPORT

(a) Lessee name: COMPANY A		State of Alaska		(f) Authorized Signature:					
(b) Address: P.O. Box 1000		Department of Natural Resources		(g) Authorized Signature (Printed): Employee					
		Division of Oil and Gas		(h) Phone Number: (907) 263-4883					
City, State, Zip: Anchorage, AK 99510				(i) Fax Number: (907) 265-1566					
(c) Prepared By: Employee				(j) Authorized Date: 08231999					
(d) Phone Number: (907) 263-4444				(k) Control Number: 000100000P08199900					
(e) Fax Number: (907) 265-1111									
				State of Alaska Royalty Valuation Report (A1)					
(l) Customer ID Number: 000106346				(p) Accounting Unit: Kuparuk PA					
(m) Production Month: 071999				(q) Accounting Unit Code: KPRK					
(n) Report Type: A1				(r) Revision No. 00					
(o) Report Code: OR				(s) Report Month: 081999					
(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)
				Alloca-				Selling	Quality
Line	Product	Disp	Lease	tion		Value	Amount	Arr	Measure-
No.	Code	Code	Type	Code	Quantity	Bbl/Mcf		Code	ment
1	O	0010	STAN	WIO	3,613,413.46			212001A050	
2	O	0010	STAN	OS	361,341.35			212001A050	
3	O	0010	STAN	US	3,252,072.11			212001A050	
4	O	2010	STAN	ROY	451,676.38			212001A050	
5	O	2010	STAN	ROS	45,167.67			212001A050	
6	O	2010	STAN	RIV	406,509.01			212001A050	
7	O	2010	STAN	RIK	0.00			212001A050	
8	O	2010	STAN	SV		\$18.14000		212001A050	
9	O	2010	STAN	QA		(\$0.03000)		212001A050	
10	O	2010	STAN	TT		(\$2.70000)		212001A050	
11	O	2010	STAN	KT		(\$0.21000)		212001A050	
12	O	2010	STAN	MC		(\$0.93000)		212001A050	
13	O	2010	STAN	RV		\$14.27000		212001A050	
14	O	2010	STAN	FC		(\$0.43000)		212001A050	
15	O	2010	STAN	WH		\$13.84000		212001A050	
16	O	2010	STAN	RIVO			\$5,626,084.70	212001A050	
17	O	2010	STAN	RIKFC			\$0.00	212001A050	
18	O	2010	STAN	TAD			\$5,626,084.70	212001A050	
19	O	0010	NFC	WIO	11,311.18			212001A050	
20	O	0010	NFC	OS	1,131.12			212001A050	
21	O	0010	NFC	US	10,180.06			212001A050	
22	O	2010	NFC	ROY	1,450.43			212001A050	
23	O	2010	NFC	ROS	145.04			212001A050	
24	O	2010	NFC	RIV	1,305.39			212001A050	
25	O	2010	NFC	RIK	0.00			212001A050	
26	O	2010	NFC	SV		\$18.14000		212001A050	
27	O	2010	NFC	QA		(\$0.03000)		212001A050	

28	O	2010	NFC	TT		(\$2.70000)		212001A050	
29	O	2010	NFC	KT		(\$0.21000)		212001A050	
30	O	2010	NFC	MC		(\$0.93000)		212001A050	
31	O	2010	NFC	RV		\$14.27000		212001A050	
32	O	2010	NFC	FC		\$0.00000		212001A050	
33	O	2010	NFC	WH		\$14.27000		212001A050	
34	O	2010	NFC	RIVO			\$18,627.92	212001A050	
35	O	2010	NFC	RIKFC			\$0.00	212001A050	
36	O	2010	NFC	TAD			\$18,627.92	212001A050	
37	O	0010	NPSL	WIO	28,246.85			212001A050	
38	O	0010	NPSL	OS	2,824.68			212001A050	
39	O	0010	NPSL	US	25,422.17			212001A050	
40	O	2010	NPSL	ROY	3,530.86			212001A050	
41	O	2010	NPSL	ROS	353.09			212001A050	
42	O	2010	NPSL	RIV	3,177.77			212001A050	
43	O	2010	NPSL	RIK	0.00			212001A050	
44	O	2010	NPSL	SV		\$18.14000		212001A050	
45	O	2010	NPSL	QA		(\$0.03000)		212001A050	
46	O	2010	NPSL	TT		(\$2.70000)		212001A050	
47	O	2010	NPSL	KT		(\$0.21000)		212001A050	
48	O	2010	NPSL	MC		(\$0.93000)		212001A050	
49	O	2010	NPSL	RV		\$14.27000		212001A050	
50	O	2010	NPSL	FC		\$0.00000		212001A050	
51	O	2010	NPSL	WH		\$14.27000		212001A050	
52	O	2010	NPSL	RIVO			\$45,346.78	212001A050	
53	O	2010	NPSL	RIKFC			\$0.00	212001A050	
54	O	2010	NPSL	TAD			\$45,346.78	212001A050	
55	O	0050	STAN	WIO	1,346.89			212001A050	
56	O	0050	STAN	OS	134.69			212001A050	
57	O	0050	STAN	US	1,212.20			212001A050	
58	O	2050	STAN	ROY	168.36			212001A050	
59	O	2050	STAN	ROS	16.84			212001A050	
60	O	2050	STAN	RIV	151.53			212001A050	
61	O	2050	STAN	RIK	0.00			212001A050	
62	O	2050	STAN	SV		\$18.14000		212001A050	
63	O	2050	STAN	QA		(\$0.03000)		212001A050	
64	O	2050	STAN	TT		(\$2.70000)		212001A050	
65	O	2050	STAN	KT		(\$0.21000)		212001A050	
66	O	2050	STAN	MC		(\$0.93000)		212001A050	
67	O	2050	STAN	RV		\$14.27000		212001A050	
68	O	2050	STAN	FC		(\$0.43000)		212001A050	
69	O	2050	STAN	WH		\$13.84000		212001A050	
70	O	2050	STAN	RIVO			\$2,097.18	212001A050	
71	O	2050	STAN	RIKFC			\$0.00	212001A050	
72	O	2050	STAN	TAD			\$2,097.18	212001A050	
73	O	0050	NFC	WIO	4.22			212001A050	
74	O	0050	NFC	OS	0.42			212001A050	
75	O	0050	NFC	US	3.80			212001A050	
76	O	2050	NFC	ROY	0.54			212001A050	
77	O	2050	NFC	ROS	0.05			212001A050	

78	O	2050	NFC	RIV	0.49			212001A050	
79	O	2050	NFC	RIK	0.00			212001A050	
80	O	2050	NFC	SV		\$18.14000		212001A050	
81	O	2050	NFC	QA		(\$0.03000)		212001A050	
82	O	2050	NFC	TT		(\$2.70000)		212001A050	
83	O	2050	NFC	KT		(\$0.21000)		212001A050	
84	O	2050	NFC	MC		(\$0.93000)		212001A050	
85	O	2050	NFC	RV		\$14.27000		212001A050	
86	O	2050	NFC	FC		\$0.00000		212001A050	
87	O	2050	NFC	WH		\$14.27000		212001A050	
88	O	2050	NFC	RIVO			\$6.85	212001A050	
89	O	2050	NFC	RIKFC			\$0.00	212001A050	
91	O	2050	NFC	TAD			\$6.85	212001A050	
92	O	0050	NPSL	WIO	10.53			212001A050	
93	O	0050	NPSL	OS	1.05			212001A050	
94	O	0050	NPSL	US	9.48			212001A050	
95	O	2050	NPSL	ROY	1.32			212001A050	
96	O	2050	NPSL	ROS	0.13			212001A050	
97	O	2050	NPSL	RIV	1.19			212001A050	
98	O	2050	NPSL	RIK	0.00			212001A050	
99	O	2050	NPSL	SV		\$18.14000		212001A050	
100	O	2050	NPSL	QA		(\$0.03000)		212001A050	
101	O	2050	NPSL	TT		(\$2.70000)		212001A050	
102	O	2050	NPSL	KT		(\$0.21000)		212001A050	
103	O	2050	NPSL	MC		(\$0.93000)		212001A050	
104	O	2050	NPSL	RV		\$14.27000		212001A050	
105	O	2050	NPSL	FC		\$0.00000		212001A050	
116	O	2050	NPSL	WH		\$14.27000		212001A050	
117	O	2050	NPSL	RIVO			\$16.98	212001A050	
118	O	2050	NPSL	RIKFC			\$0.00	212001A050	
119	O	2050	NPSL	TAD			\$16.98	212001A050	
120	O	2030	ALL	GD			\$305.32	212001A050	

I. Zeroing Out or Reversing Entry Reporting

When volume is allocated to an Accounting Unit in an original filing and now needs to be assigned to a new Accounting Unit the original allocation of volume and dollars must be zeroed out. The most common example of this would be true of lease or tract operations that may be included in the expansion of a larger Unit or Participating Area (PA) designation. When the volume is to be retroactively reallocated from the start date of production for the lease or tract operation, the original allocations of volume under the lease or tract operation reports must be zeroed out as well. If the original filings were not revised, thus zeroing out the original allocation, the volume would be double counted, once under the lease/tract operation and again under the reallocation to the Unit or P.A.

When volumes are zero values MUST be zero as well.

Be sure to look at the entire example contained on the following two pages.

Zeroing Out Example:

GAS REPORT	Revision 00	Revision 00	Revision 00			Revision 01	Revision 01	Revision 01	
Allocation Code	Quantity	Value	Amount	Selling Arrangement	Allocatio n Code	Quantity	Value	Amount	Selling Arrangement
WIO	3,458,230			2010000000	WIO	0			2010000000
ROY	432,279			2010000000	ROY	0			2010000000
RIV	432,279			2010000000	RIV	0			2010000000
RIK	0			2010000000	RIK	0			2010000000
SV		\$2.69600		2010000000	SV		\$0.00		2010000000
BTU		\$1.00100		2010000000	BTU		\$0.00		2010000000
TADJ		\$0.10000		2010000000	TADJ		\$0.00		2010000000
TRB		\$0.00000		2010000000	TRB		\$0.00		2010000000
CT		\$0.00000		2010000000	CT		\$0.00		2010000000
RV		\$1.24925		2010000000	RV		\$0.00		2010000000
FC		\$0.00000		2010000000	FC		\$0.00		2010000000
WH		\$1.24925		2010000000	WH		\$0.00		2010000000
RIVO			\$540,023.68	2010000000	RIVO			\$0.00	2010000000
RIKFC			\$0.00	2010000000	RIKFC			\$0.00	2010000000
TAD			\$540,023.68	2010000000	TAD			\$0.00	2010000000
					REVPD			-\$540,023.68	2010000000
					REVID			\$1,695.23	2010000000
					REVTD			-\$541,718.91	2010000000